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UNITED STATES DISTRICT COURT OFFICE
DISTRICT OF MASSACHUSETTS

2005 DEC 12 P 4: 29

U.S. DISTRICT COURT
DISTRICT OF MASS.

AVIDYNE CORPORATION, a Delaware
corporation,

Plaintiff/Counter-Defendant,

v.

C.A. No. 05-11098 GAO

L-3 COMMUNICATIONS AVIONICS
SYSTEMS, INC., f/k/a B.F. GOODRICH
AVIONICS SYSTEMS, INC., a Delaware
corporation,

Defendant/Counter-Plaintiff.

REPLY TO COUNTERCLAIM

Plaintiff/Counter-defendant Avidyne Corporation ("Avidyne") as and for its Reply to the Counterclaim (the "Counterclaim") filed by Defendant/Counter-plaintiff L-3 Communications Avionics Systems, Inc., f/k/a B.F. Goodrich Avionics Systems, Inc. ("L-3") alleges as follows:

1. Avidyne is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 1, and therefore can neither admit nor deny same.
2. Avidyne admits the allegations contained in Paragraph 2.
3. Avidyne admits the allegations contained in Paragraph 3.
4. Paragraph 4 of the Answer and Counterclaim contains conclusions of law to which no response by Avidyne is required, except that Avidyne admits that the Counterclaim purports to state a claim for patent infringement, and that jurisdiction is proper in this Court pursuant to 28 U.S.C §1331 and 28 U.S.C §1338(a).
5. Paragraph 5 of the Answer and Counterclaim contains conclusions of law to which no response by Avidyne is required, except that Avidyne admits that venue is proper in this judicial district under 28 U.S.C. § 1391 (b).

6. Avidyne admits that United States Patent No. 5,841,018 (the “ ‘018 Patent”), entitled “Method of Compensating for Installation Orientation of an Attitude Determining Device Onboard a Craft,” issued on November 24, 1998. Avidyne is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations of Paragraph 6, and therefore can neither admit nor deny same.

7. Avidyne denies the allegations contained in Paragraph 7, apart from those allegations contained in Paragraph 7 that contain conclusions of law, to which no response by Avidyne is required.

8. Avidyne is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 8, and therefore can neither admit nor deny same, apart from those allegations contained in Paragraph 8 that contain conclusions of law, to which no response by Avidyne is required.

9. Avidyne denies the allegations contained in Paragraph 9, apart from those allegations contained in Paragraph 8 that contain conclusions of law, to which no response by Avidyne is required.

10. Avidyne admits that L-3 sent correspondence to Avidyne in which L-3 alleged that Avidyne was infringing the ‘018 Patent, but denies that this constituted “notice...of [the] infringement” alleged in L-3’s counterclaim.

11. Avidyne denies the allegations contained in Paragraph 11.

12. Avidyne denies the allegations contained in Paragraph 12.

13. Avidyne denies the allegations contained in Paragraph 13.

AFFIRMATIVE DEFENSES

First Affirmative Defense

The Counterclaim is barred in whole and in part because it fails to state a claim upon which relief can be granted.

Second Affirmative Defense

The '018 Patent, and each claim thereof, is invalid for failure to meet at least one of the requirements of patentability set forth in 35 U.S.C. § 102, § 103, and/or § 112.

Third Affirmative Defense

Avidyne has not directly infringed, and has not contributorily infringed, and has not induced infringement of any valid and enforceable claim of the '018 Patent, either literally or under the Doctrine of Equivalents, and is not liable for any infringement of the '018 Patent.

Fourth Affirmative Defense

L-3's claims for relief are barred, in whole or in part, by the doctrines of equitable estoppel, unclean hands and/or laches.

Fifth Affirmative Defense

Avidyne reserves the right to assert additional defenses which may become apparent during discovery in this action.

PRAYER FOR RELIEF

WHEREFORE, Avidyne prays for judgment in its favor and against Defendants/Counter-plaintiffs providing that:

- A. The Counterclaim be dismissed in its entirety with prejudice and the Defendant/Counter-Plaintiff take nothing therefrom.
- B. The Court adjudge, declare, and decree that the claims of the '018 Patent are void, invalid, and/or not infringed by Avidyne.
- C. Avidyne be awarded its reasonable attorney fees and the costs of this action pursuant to 35 U.S.C. § 285.
- D. Avidyne be awarded such further and other relief as the Court may deem just and equitable.

Dated: December 12, 2005



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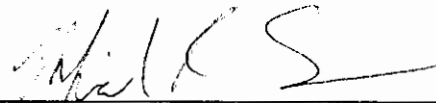
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CERTIFICATE OF SERVICE OFFICE

I certify that on December 12, 2005, a true and correct copy of *Reply to Counterclaim* was served via fax and overnight delivery on the following:

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U.S. DISTRICT COURT
DISTRICT OF MASS.



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